

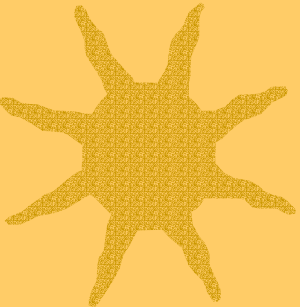
Charter School Facilities Program

California School Finance Authority
Program Overview
February 2003

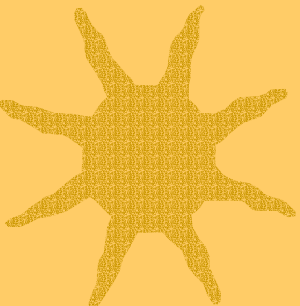
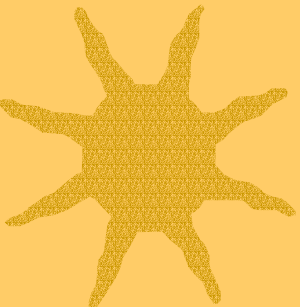
Lara Larramendi Blakely



Presentation Outline



- ★ Role of CSFA in implementing CSFP
- ★ Financial Soundness
- ★ Lease Payments
- ★ Application Process and Required Information
- ★ Application Review
- ★ Final Apportionment Requirements





Role of CSFA in Program

- ★ To determine if a charter applicant is “financially sound”
- ★ To establish how the applicant will pay its local matching share
- ★ To determine the lease payment schedule for charter applicant if applicable
- ★ To establish security provisions if applicable



Financial Soundness

★ Financially sound means:

- Financially capable concern for at least 24 months and at least two academic years of instructional operations, prior to submission of application. For new construction, the entity applying on behalf of a new school must demonstrate that it has operated or managed another charter school(s) for at least two academic years.

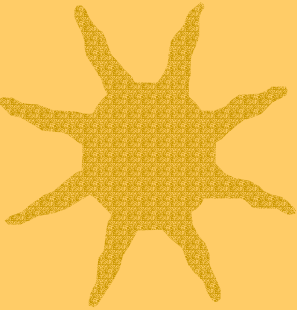


Financial Soundness

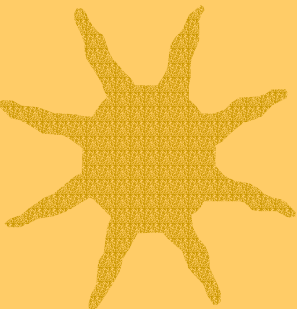
- ★ Factors to be considered in judging financial capability are:
 - Compliance with charter terms
 - Good standing with chartering authority
 - Audited financials free of material exceptions or “going concern” issues
 - Operating at least at break-even
 - Ability to meet matching requirement in lump sum or to repay match through lease payments over a period not to exceed 30 years
 - Quality of management and staff



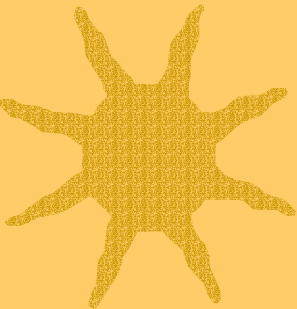
Application Materials Required



★ Form CSFA 03-01 (2 copies) must be submitted to Office of Public School Construction with other application materials

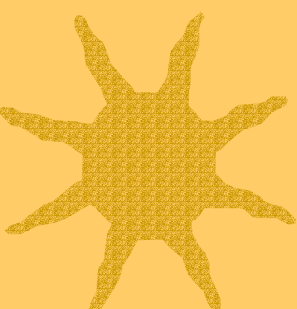
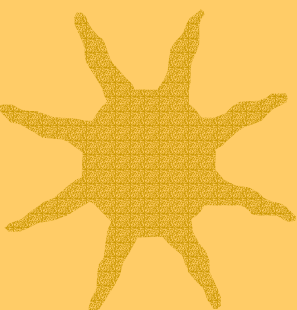


- ★ Review Section 10155:
- Organizational information
 - Please state sources of data
 - Financial information
 - Legal status questionnaire





Helpful Resources



- ★ Charter School Facilities: A Resource Guide on Development and Financing
 - www.ncbdc.org or www.charterfriends.org
- ★ Charter Schools Development Center
 - www.cacharterschools.org

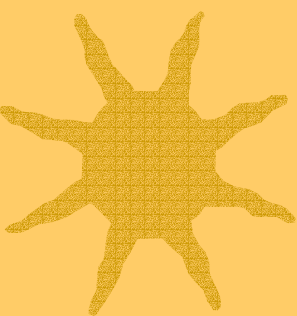
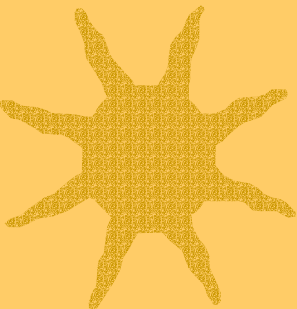
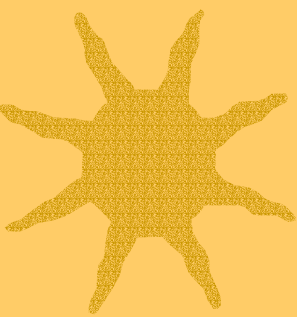


Lease Payments

- ★ To be eligible for repaying matching share through lease, the applicant must:
 - Demonstrate financial soundness
 - Demonstrate ability to repay matching funds within 30 years
 - Demonstrate through financial projections the ability to maintain minimum debt service coverage to be determined by the Authority, but in no case less than 1:1.



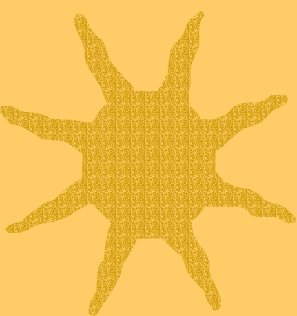
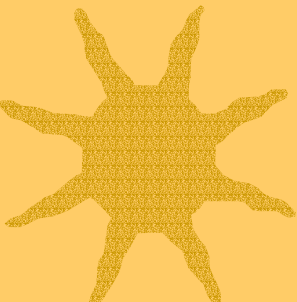
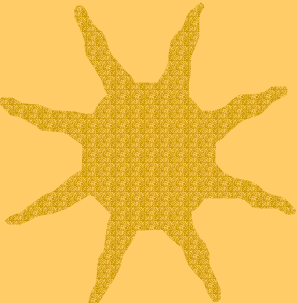
Security Provisions



- ★ Title to the Project Facility will be held by the school district, in trust, for the benefit of the school system, and not the charter school.
- ★ A subordinate security interest in the facility may be granted to a contributor who contributes funds in excess of the local matching share and the state contribution. Specific terms of security interest will be made on case-by-case basis.
- ★ Upon liquidation of the asset, a secured party will only be repaid after the account is repaid in full.



CSFA Application Review



- ★ CSFA staff will review applications from April 1 – mid-May
- ★ Recommendations will be made regarding financial soundness to SAB
- ★ CSFA reserves right to make site visits to any applicant, not just those located outside chartering authority
- ★ CSFA may consider information submitted by others such as school districts or county offices of education



CSFA Application Review

- ★ CSFA will accept SAB's apportionment eligibility amount – will not evaluate whether or not the project can be completed within proposed budget.



Final Apportionment

- ★ Financial soundness will be reevaluated for purposes of determining the final apportionment conversion
- ★ Applicant information must be updated and reviewed



CSFA Contact Information

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